

Housing Rehabilitation Loan Program (HRLP) Information Sheet

Investor – Rental Property

This program offers loans of up to \$25,000 per unit at 3% interest rates to investors who rent to low- and moderate-income homeowners for a maximum 15-year term. These loans assist investors that need to make necessary State Housing Code repairs or modifications to make a home accessible to someone with a disability. This funding is provided through the Delaware State Housing Authority (DSHA).

Qualifications:

- *Tenants must meet the following income and rent guidelines:*

Household Size	Income	Bedroom Size	Fair Market Rent
1	\$33,350	Efficiency	\$ 708
2	\$38,100	One-Bedroom	\$ 724
3	\$42,850	Two-Bedroom	\$ 979
4	\$47,600	Three-Bedroom	\$1,336
5	\$51,450	Four-Bedroom	\$1,556
6	\$55,250		
7	\$59,050		
8	\$62,850		

*Effective 12/11/12

- All applicants are subject to a credit check and lien search on the property at the time of application.
- Property must have an appraisal that consists of a 'subject to' value. This will provide an estimate of the value of the home after repairs are completed. This is an expense paid by the Borrower.
- All water & sewer fees and taxes must be current at the time of application.

Terms & Conditions:

- Loan amount shall be secured by a mortgage note and may be put in any lien position.
- Principal may be pre-paid at any point, without penalty.
- Applicant shall agree to regular inspections, at reasonable hours, by the County
- The homeowner will have a direct contractual relationship with the contractor. The County, nor DSHA, shall be held responsible or liable for any of the work completed or warranties.
- Home must be insured throughout the term of the loan.
- The loan-to-value ratio of the HRLP loan plus existing loans cannot exceed 90% of the after-rehab appraisal.

Costs:

Please note that these are approximate figures and are subject to change or vary. Final figures are determined at loan closing. Many of these costs can be built into the loan, to avoid an up-front payment.

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| 1. Credit Check | \$ 15.00 (Up-front) |
| 2. Lien Search | \$ 50.00 (Up-front) |
| 3. Appraisal | \$300.00 (Up-front, after approved credit & lien search) |
| 4. Work Write-Up, inspections, application Fee | \$450.00 |
| 5. Mortgage Preparation | \$ 50.00 |
| 6. Recording Fee | \$161.00 (Varies depending on number of pages) |



Updated January 8, 2013